



General Assembly

Amendment

January Session, 2003

LCO No. **6586**

HB0669606586HD0

Offered by:

REP. CURREY, 10th Dist.

REP. JOHNSTON, 51st Dist.

To: Subst. House Bill No. **6696**

File No. 702

Cal. No. 482

"AN ACT CONCERNING THE REEMPLOYMENT OF RETIRED TEACHERS, THE PURCHASE OF ADDITIONAL CREDITED SERVICE IN THE TEACHERS' RETIREMENT SYSTEM, THE EXCESS EARNINGS ACCOUNT, CREDIT FOR SERVICE WITH CERTAIN BARGAINING ORGANIZATIONS, AND PAYMENT FOR ADDITIONAL CREDITED SERVICE PURCHASED BY BOARDS OF EDUCATION."

-
- 1 Strike sections 5 to 7, inclusive
 - 2 After the last section, add the following and renumber sections and
 - 3 internal references accordingly:
 - 4 "Sec. 501. Section 10-183c of the general statutes is repealed and the
 - 5 following is substituted in lieu thereof (*Effective October 1, 2003*):
 - 6 The Connecticut teachers' retirement system is established to
 - 7 provide retirement and other benefits for teachers, their survivors and
 - 8 beneficiaries. On or after a member vests in the system by becoming
 - 9 eligible to receive a retirement benefit pursuant to section 10-183f, or

10 accumulates ten years of credited service in the system, as defined in
11 subsection (a) of section 10-183, whichever is later, the member's
12 benefit under sections 10-183e, 10-183f, 10-183g, 10-183h and 10-183aa
13 is contractual in nature and no public or special act of the General
14 Assembly shall diminish such benefit, provided this section shall apply
15 only to an active member who is vested on October 1, 2003, or to a
16 member who vests or accumulates ten years of credited service on or
17 after October 1, 2003, and shall apply to the member's benefit in
18 existence on October 1, 2003, or to the member's benefit in existence
19 on the date the member vests or accumulates ten years of credited
20 service, respectively, whichever is later. Nothing in this section shall
21 affect the provisions of sections 10-183t or 10-183z. On or after October
22 1, 2003, any public or special act enhancing the benefits of the system
23 shall be subject to the provisions of this section.

24 Sec. 502. Subsection (e) of section 10-183jj of the general statutes is
25 repealed and the following is substituted in lieu thereof (*Effective from*
26 *passage*):

27 (e) For each year of additional credited service purchased pursuant
28 to this section, the local or regional board of education shall pay an
29 amount specified by the Teachers' Retirement Board equal to the
30 actuarial present value, determined according to actuarial tables
31 adopted by the Teachers' Retirement Board, of the difference between
32 the retirement benefit which the member is entitled to receive based
33 upon [his or her] the member's service apart from such purchased
34 service and the benefit which [he or she] the member is entitled to
35 receive including such service. Payment for such service may be made
36 in equal annual installment payments, including interest, not
37 exceeding three times the number of years being purchased. Payments
38 shall be made in accordance with subsection (b) of section 10-183n and
39 rules adopted by the Teachers' Retirement Board. Any late payments
40 or outstanding obligations from a prior year's purchase or from late
41 payment of monthly mandatory deductions shall be included as part
42 of the cost of purchasing such service. When a board of education
43 purchases additional credited service for a member pursuant to this

44 section, the Teachers' Retirement Board shall notify the member in
45 writing. Any additional credited service purchased for any such
46 member shall be in addition to any credited service purchased
47 pursuant to section 10-183e.

48 Sec. 503. Section 10-183b of the general statutes is repealed and the
49 following is substituted in lieu thereof (*Effective July 1, 2003*):

50 As used in this chapter, unless the context otherwise requires:

51 (1) "Actuarial reserve basis" means a basis under which the
52 liabilities of the retirement system are determined under acceptable
53 actuarial methods and under which assets are accumulated under a
54 program designed to achieve a proper balance between the
55 accumulated assets and the liabilities of the system.

56 (2) "Amortization of unfunded liabilities" means a systematic
57 program of annual payments determined as a level per cent of
58 expected member annual salaries in lieu of a lump sum payment.

59 (3) "Annual salary" means the annual salary rate for service as a
60 Connecticut teacher during a school year but not including unused
61 sick leave, unused vacation, terminal pay, coaching or extra duty
62 assignments, unless compensation for coaching or extra duty
63 assignment was included in salary for which contributions were made
64 prior to July 1, 1971. In no event shall annual salary include amounts
65 determined by the board to be included for the purpose of inflating the
66 member's average annual salary. The inclusion in annual salary of
67 amounts paid to the member, in lieu of payment by the employer for
68 the cost of benefits, insurance, or individual retirement arrangements
69 which in prior years had been paid by the employer and not included
70 in the member's annual salary, shall be prima facie evidence that such
71 amounts are included for the purpose of inflating the member's
72 average annual salary. Annual salary shall not include payments the
73 timing of which may be directed by the member. Annual salary shall
74 not include payments to a superintendent pursuant to an individual
75 contract between such superintendent and a board of education, of

76 amounts which are not included in base salary. Annual salary shall
77 include amounts paid to the member during a sabbatical leave during
78 which mandatory contributions were remitted, provided such member
79 returned to full-time teaching for at least five full years following the
80 completion of such leave.

81 (4) "Average annual salary" means the average annual salary
82 received during the three years of highest salary.

83 (5) "Board" means the Teachers' Retirement Board.

84 (6) "Child" means a natural child, an adopted child, or a stepchild of
85 a deceased member who has been a stepchild for at least one year
86 immediately prior to the date on which the member died. A child is a
87 "dependent child" of a deceased member if at the time of the member's
88 death (A) the member was living with the child or providing or
89 obligated to provide, by agreement or court order, a reasonable
90 portion of the support of the child, and (B) the child (i) is unmarried
91 and has not attained age eighteen, or (ii) is disabled and such disability
92 began prior to the child attaining age eighteen.

93 (7) "Contributions" mean amounts withheld pursuant to this chapter
94 and paid to the board by an employer from compensation payable to a
95 member. ["Mandatory contributions"] Prior to July 1, 1989, "mandatory
96 contributions" are contributions required to be withheld under this
97 chapter and consist of five per cent regular contributions and "one per
98 cent contributions". From July 1, 1989, to June 30, 1992, "mandatory
99 contributions" are contributions required to be withheld under this
100 chapter and consist of five per cent regular contributions and one per
101 cent health contributions. From July 1, 1992, to June 30, 2004,
102 "mandatory contributions" are contributions required to be withheld
103 under this chapter and consist of ["six per cent contributions" and "one
104 per cent contributions"] six per cent "regular contributions" and one
105 per cent health contributions. On or after July 1, 2004, "mandatory
106 contributions" are contributions required to be withheld under this
107 chapter and consist of six per cent regular contributions and one and

108 one-fourth per cent health contributions. "Voluntary contributions" are
109 contributions by a member authorized to be withheld under section
110 10-183i.

111 (8) "Credited interest" means interest at the rate from time to time
112 fixed by the board which shall be substantially that earned by the
113 funds of the system. Such interest shall be applied to a member's
114 account based on the balance as of the previous June thirtieth. Credited
115 interest shall be assessed on any mandatory contributions which were
116 due but not remitted prior to the close of the school year for which
117 salary was paid.

118 (9) "Current service" means service rendered in the current fiscal
119 year.

120 (10) "Dependent former spouse" means a former spouse of a
121 deceased member who (A) has in his or her care a dependent child of
122 the deceased member; and (B) was receiving, or was entitled to receive,
123 from the deceased member at the time of the death of the deceased
124 member, at least one-half of his or her support; and (C) has not
125 remarried; and (D) is the parent of the child or adopted the child while
126 married to the member and before the child attained age eighteen or,
127 while married to the member, both of them adopted the child before
128 the child attained age eighteen.

129 (11) "Dependent parent" means a parent of a deceased member who
130 (A) has reached the age of sixty-five; and (B) has not married after the
131 death of the member; and (C) was receiving at least one-half of his or
132 her support from the member at the time of the member's death and
133 files proof of such support within two years of the date of the
134 member's death; and (D) is not receiving, or entitled to a federal or
135 state old age benefit based on the parent's own earnings, equal to or
136 greater than the amount the parent would be entitled to as a
137 dependent parent under this chapter. A "parent of a deceased member"
138 is [(A)] (i) the mother or father of a deceased member; or [(B)] (ii) a
139 stepparent of a deceased member by a marriage entered into before the

140 member attained age sixteen; or [(C)] (iii) an adopting parent of a
141 deceased member who adopted the deceased member before the
142 member attained age sixteen.

143 (12) "Designated beneficiary" means a person designated on a form
144 prescribed by the board by a member to receive amounts which
145 become payable under this chapter as the result of the member's death
146 whether before or after retirement. If a designated beneficiary is not
147 living at the time of the death of a member, the amounts that would
148 have been payable to the designated beneficiary shall be paid to the
149 member's estate.

150 (13) "Disabled" means inability to engage in any substantial gainful
151 activity by reason of any medically determinable physical or mental
152 impairment which can be expected to result in death or to be of long-
153 continued and indefinite duration, except that during the first twenty-
154 four months that a member is receiving a disability allowance,
155 "disabled" means the inability to perform the usual duties of his
156 occupation by reason of any such impairment.

157 (14) "Employer" means an elected school committee, a board of
158 education, the State Board of Education, the board of governors or any
159 of its constituent units, the governing body of the Children's Center,
160 the E. O. Smith School and any other activity, institution or school
161 employing members.

162 (15) "Formal leave of absence" means any absence from active
163 service in the public schools of Connecticut formally granted by a
164 member's employer as evidenced by contemporary records of the
165 employer, provided in the case of an absence due to illness, medical or
166 other evidence of such illness may, at the discretion of the Teachers'
167 Retirement Board, be accepted in lieu of evidence of the formal
168 granting of a leave.

169 (16) "Formal application of retirement" means the member's
170 application, birth certificate or notarized statement supported by other
171 evidence satisfactory to the board, in lieu thereof, records of service

172 when required by the board to determine a salary rate or years of
173 creditable service, statement of payment plan and, in the case of an
174 application for a disability benefit, a physician's statement of health.

175 (17) "Funding" means the accumulation of assets in advance of the
176 payment of retirement allowances in accordance with a definite
177 actuarial program.

178 (18) "Member" means any Connecticut teacher employed for an
179 average of at least one-half of each school day, except that no teacher
180 who under any provision of the general statutes elects not to
181 participate in the system shall be a member unless and until the
182 teacher elects to participate in the system. Members teaching in a
183 nonpublic school classified as a public school by the board under the
184 provisions of this section may continue as members as long as they
185 continue as teachers in such school even if the school ceases to be so
186 classified. A former teacher who has not withdrawn his or her
187 accumulated contributions shall be an "inactive member". A member
188 who, during the period of a formal leave of absence granted by his or
189 her employer, but not exceeding an aggregate of ten school months,
190 continues to make mandatory contributions to the board, retains his or
191 her status as an active member.

192 (19) "Normal cost" means the amount of contribution which the
193 state is required to make into the retirement fund in order to meet the
194 actuarial cost of current service.

195 (20) "Public school" means any day school conducted within or
196 without this state under the orders and superintendence of a duly
197 elected school committee, a board of education, the State Board of
198 Education, the board of governors or any of its constituent units, the E.
199 O. Smith School, the Children's Center, joint activities of boards of
200 education authorized by subsection (b) of section 10-158a and any
201 institution supported by the state at which teachers are employed or
202 any incorporated secondary school not under the orders and
203 superintendence of a duly elected school committee or board of

204 education but located in a town not maintaining a high school and
205 providing free tuition to pupils of the town in which it is located, and
206 which has been approved by the State Board of Education under the
207 provisions of part II of chapter 164, provided that such institution or
208 such secondary school is classified as a public school by the retirement
209 board.

210 (21) "Retirement allowance" means payments for life derived from
211 member contributions, including credited interest, and contributions
212 from the state.

213 (22) "School year" means the twelve months ending on June thirtieth
214 of each year.

215 (23) "Surviving spouse" means a widow or widower of a deceased
216 member who (A) was living with the member at the time of the
217 member's death, or receiving, or entitled by court order or agreement
218 to receive, regular support payments from the member, and (B) has not
219 remarried.

220 (24) "Survivors" means a surviving spouse, a dependent former
221 spouse, a dependent child and a dependent parent.

222 (25) "System" means the Connecticut teachers' retirement system.

223 (26) "Teacher" means [(1)] (A) any teacher, permanent substitute
224 teacher, principal, assistant principal, supervisor, assistant
225 superintendent or superintendent employed by the public schools in a
226 professional capacity while possessing a certificate or permit issued by
227 the State Board of Education, provided on and after July 1, 1975, such
228 certificate shall be for the position in which the person is then
229 employed, [(2)] (B) certified personnel who provide health and welfare
230 services for children in nonprofit schools, as provided in section 10-
231 217a, under an oral or written agreement, [(3)] (C) any person who is
232 engaged in teaching or supervising schools for adults if the annual
233 salary paid for such service is equal to or greater than the minimum
234 salary paid for a regular, full-time teaching position in the day schools

235 in the town where such service is rendered, and [(4)] (D) a member of
 236 the professional staff of the State Board of Education or of the Board of
 237 Governors of Higher Education or any of its constituent units. A
 238 "permanent substitute teacher" is one who serves as such for at least
 239 ten months during any school year.

240 (27) "Unfunded liability" means the actuarially determined value of
 241 the liability for service before the date of the actuarial valuation less
 242 the accumulated assets in the retirement fund

243 Sec. 504. Section 10-183g of the general statutes is repealed and the
 244 following is substituted in lieu thereof (*Effective July 1, 2003*):

245 (a) The normal retirement benefit shall be two per cent times the
 246 number of years of full-time credited service and a proportional
 247 fraction of two per cent times the number of years of credited service at
 248 less than full-time multiplied by average annual salary. In no event,
 249 however, shall such benefit exceed seventy-five per cent of such salary
 250 or the limits mandated by Section 415 of the Internal Revenue Code, or
 251 be less than three thousand six hundred dollars.

252 (b) The proratable retirement benefit shall be computed as follows:
 253 Average annual salary multiplied by (1) number of years of credited
 254 service, excluding all additional credited service, except service
 255 described in subdivisions (3), (8) and (10) of subsection (b) of section
 256 10-183e, multiplied by the applicable percentage based on age and
 257 service as determined from the table below, and (2) number of years of
 258 all additional credited service not used in subdivision (1) of this
 259 subsection multiplied by one per cent.

T1	TABLE
T2	AGE OF RETIREMENT
T3	Years Of
T4	Connecticut

T5	Service	60	61	62	63	64	65	66	67	68	69	70
T6	10	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
T7	11	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
T8	12	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
T9	13	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
T10	14	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
T11	15	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
T12	16	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
T13	17	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
T14	18	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
T15	19	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
T16	20	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

260 (c) The early retirement benefit shall be computed in the same
 261 manner as the normal retirement benefit, then actuarially reduced, on
 262 the basis of early retirement tables adopted from time to time by the
 263 board, for each month early retirement precedes the minimum age at
 264 which the member could have retired with a normal retirement
 265 benefit. Such minimum age shall be such member's actual age at
 266 retirement plus the lesser of (1) the difference between such age and
 267 age sixty, or (2) the difference between thirty-five years and the sum of
 268 such member's years of Connecticut public school service plus all
 269 purchased leaves of absence, military and out-of-state public school
 270 service. On and after July 1, 1999, any revisions to the early retirement
 271 tables shall be submitted to the Office of Policy and Management and
 272 the joint standing committee of the General Assembly having
 273 cognizance of matters relating to appropriations and the budgets of
 274 state agencies within one month of their adoption by the board. Any
 275 such revisions shall be accompanied by an actuarial certification of the
 276 costs associated with such revisions.

277 (d) The deferred vested retirement benefit shall be computed as
 278 follows: Average annual salary multiplied by (1) number of years of
 279 credited service, excluding all additional credited service, except

280 service described in subdivisions (3), (8) and (10) of subsection (b) of
281 section 10-183e, multiplied by two per cent, then actuarially reduced in
282 the same manner as the early retirement benefit if the years of service
283 which could have been rendered were less than twenty years by age
284 sixty or by the subsequent date of retirement, and (2) number of years
285 of all additional credited service not used in subdivision (1) of this
286 subsection multiplied by one per cent.

287 (e) Repealed by P.A. 79-541, S. 5, 6.

288 (f) In addition to a retirement benefit computed under subsections
289 (a) to (d), inclusive, of this section and under subsections (a) to (g),
290 inclusive, of section 10-183aa, a member shall receive a lump sum
291 payment equal to the member's accumulated one per cent
292 contributions withheld prior to July 1, 1989, with credited interest. In
293 lieu of such lump sum, the member may elect to receive an actuarially
294 equivalent annuity for life. Such lump sum or annuity shall be paid, or
295 commenced to be paid, when the first payment of the other retirement
296 benefit is made.

297 (g) A member's complete formal application for retirement, if sent
298 by mail, shall be deemed to have been filed with the board on the date
299 such application is postmarked. No benefit computed under
300 subsections (a) to (d), inclusive, of this section and under subsections
301 (a) to (g), inclusive, of section 10-183aa shall become effective until the
302 end of the calendar month of the filing by the member with the board
303 of a complete formal application for retirement. Such benefit shall
304 accrue from the first day of the month following such calendar month
305 and payment of such benefit in equal monthly installments shall
306 commence on the last day of the month in which such benefit begins to
307 accrue. Upon a finding that extenuating circumstances relating to the
308 health of a member caused a delay in the filing of the member's
309 complete formal application, and such application is filed on or after
310 July 1, 1986, the board may deem such application to have been filed
311 up to three months earlier than the actual date of the filing. Upon a
312 finding that extenuating circumstances related to the health of a

313 member caused a delay in the filing of an election pursuant to
314 subsection (g) of section 10-183aa, and such election is filed on or after
315 July 1, 1986, the board may deem such election to have been filed as of
316 the date such member's benefits would otherwise have been converted
317 to a normal retirement allowance, provided such member's disability
318 allowance became effective on or before November 1, 1976, and such
319 member attained the age of sixty on or after August 1, 1984.

320 (h) A benefit computed under subsections (a) to (d), inclusive, of
321 this section and under subsections (a) to (g), inclusive, of section 10-
322 183aa shall continue until the death of the [retired] member. If twenty-
323 five per cent of the aggregate benefits paid to a [retired] member prior
324 to death are less than such member's accumulated [five per cent]
325 regular contributions, including any one per cent contributions
326 withheld prior to July 1, 1989, and any voluntary contributions plus
327 credited interest, the member's designated beneficiary shall be paid on
328 the death of the member a lump sum amount equal to the difference
329 between such aggregate payments and such accumulated
330 contributions plus credited interest that had been accrued to the date
331 benefits commenced.

332 (i) In lieu of a benefit computed under subsections (a) to (d),
333 inclusive, of this section and under subsections (a) to (g), inclusive, of
334 section 10-183aa, a member may elect one of the options described in
335 section 10-183j or any other actuarially equivalent option which the
336 board may offer from time to time.

337 (j) Beginning the first day of January or July which follows nine
338 months in retirement, a retired member who retired prior to
339 September 1, 1992, or a member's successor beneficiary, except a
340 person receiving survivor's benefits, shall be eligible for an annual five
341 per cent cost of living allowance on any benefit except a benefit based
342 upon such member's one per cent contributions or voluntary
343 contributions. Such cost of living allowance shall be computed on the
344 basis of the retirement benefits to which such retired member or
345 successor beneficiary was entitled on the last day of the preceding

346 December or June except benefits based upon one per cent or
347 voluntary contributions. Such member's successor beneficiary means
348 any person, other than such member, receiving benefits as the result of
349 the election of a period certain option or a coparticipant option,
350 including an election for such an option by a surviving spouse under
351 subsection (d) of section 10-183h. The right to such allowance, or any
352 portion thereof, may be waived by the person entitled thereto at any
353 time. Any waiver shall remain in effect until the first day of the month
354 following such person's death or the filing with the board of a written
355 notice of cancellation of the waiver. Any allowance waived shall be
356 forever forfeited. If on any subsequent first day of January or July the
357 Teacher's Retirement Board determines that the National Consumer
358 Price Index for urban wage earners and clerical workers for the twelve-
359 month period ending on the last day of the preceding November or
360 May has increased less than the cost of living allowance provided
361 under this subsection, the cost of living allowance provided by this
362 subsection shall be adjusted to reflect the change in such index
363 provided such cost of living allowance shall not be less than three per
364 cent.

365 (k) Beginning the first day of January or July which follows nine
366 months in retirement, a retired member who retired on or after
367 September 1, 1992, or a member's successor beneficiary, except a
368 person receiving survivor's benefits, shall be eligible for an annual cost
369 of living allowance calculated in accordance with the provisions of
370 subsections (l) or (m) of this section on any benefit except a benefit
371 based upon such member's one per cent contributions or voluntary
372 contributions. Such cost of living allowance shall be computed on the
373 basis of the retirement benefits to which such retired member or
374 successor beneficiary was entitled on the last day of the preceding
375 December or June except benefits based upon one per cent or
376 voluntary contributions. Such member's successor beneficiary means
377 any person, other than such member, receiving benefits as the result of
378 the election of a period certain option or a coparticipant option,
379 including an election for such an option by a surviving spouse under

380 subsection (d) of section 10-183h. The right to such allowance, or any
381 portion thereof, may be waived by the person entitled thereto at any
382 time. Any waiver shall remain in effect until the first day of the month
383 following such person's death or the filing with the board of a written
384 notice of cancellation of the waiver. Any allowance waived shall be
385 forever forfeited.

386 (l) Beginning the first day of January or July which follows nine
387 months in retirement, a retired member who retired on or after
388 September 1, 1992, or a member's successor beneficiary, except a
389 person receiving survivor's benefits, shall be eligible for an annual cost
390 of living allowance for each year in which the plan actuaries have
391 certified under the provisions of subsection (n) of this section that
392 sufficient funds are available. The cost of living allowance shall be
393 calculated by using the percentage cost of living adjustment granted
394 by the Social Security Administration for the applicable year,
395 computed on the basis of the retirement benefits to which such retired
396 member or successor beneficiary was entitled on the last day of the
397 preceding December or June except benefits based upon one per cent
398 or voluntary contributions, provided no cost of living allowance shall
399 exceed six per cent and provided further, if the total return earned by
400 the trustees on the market value of the pension assets for the preceding
401 fiscal year is less than eight and one-half per cent, any cost of living
402 allowance granted shall not exceed one and one-half per cent.

403 (m) If the plan actuaries have certified in accordance with
404 subsection (n) of this section that the amount of the excess earnings
405 account which is available for payment of a cost of living allowance is
406 insufficient to fund the full amount determined under subsection (l) of
407 this section, each person eligible for an annual cost of living allowance
408 under said subsection (l) shall be eligible for a cost of living allowance
409 reduced proportionately to a percentage that is actuarially supported
410 by the amount so certified, in lieu of the cost of living allowance
411 provided under said subsection (l), provided no cost of living
412 allowance shall exceed six per cent and provided further, if the total
413 return earned by the trustees on the market value of the pension assets

414 for the preceding fiscal year is less than eight and one-half per cent,
415 any cost of living allowance granted shall not exceed one and one-half
416 per cent.

417 (n) To administer cost of living allowances provided under
418 subsections (l) and (m) of this section, there is established the excess
419 earnings account which shall be a separate account established within
420 the Teachers' Retirement Fund. For the calendar year commencing
421 January 1, 1995, and each subsequent calendar year, the excess
422 earnings account shall be credited by an amount equal to that portion
423 of the total return earned by the trustees on the market value of the
424 pension assets for the preceding fiscal year which is a total return in
425 excess of eleven and one-half per cent. The excess earnings account
426 shall be reduced each year by the actuarial value of any cost of living
427 allowance awarded. On May first, annually, the plan actuaries shall
428 determine how much of the excess earnings account balance is
429 available for payment of a cost of living adjustment determined in
430 accordance with the provisions of this section and shall certify their
431 determination to the trustees of the Teachers' Retirement Fund. If the
432 plan actuaries determine that there are no funds available in the excess
433 earnings account for the payment of a cost of living allowance, no cost
434 of living allowance shall be paid.

435 (o) On January 1, 1988, each eligible retired member who had
436 rendered at least twenty-five years of full-time service prior to normal
437 retirement under the provisions of subsection (a) of section 10-183f, or
438 such member's successor beneficiary, as defined in subsection (j) of this
439 section, shall receive a single increase in retirement benefits provided
440 under this chapter. Such increase shall be paid to such eligible
441 members or successor beneficiaries whose monthly benefit as of
442 December 31, 1987, before any reduction for an optional benefit
443 payment plan, is less than eight hundred dollars, and shall be
444 sufficient to increase such monthly benefit to eight hundred dollars.

445 (p) On January 1, 1991, each eligible retired member who had
446 rendered at least twenty-five years of full-time service at least twenty

447 years of which were service in the public schools of Connecticut prior
448 to early retirement before January 1, 1976, under the provisions of
449 subsection (c) of section 10-183f, or such member's successor
450 beneficiary, as defined in subsection (j) of this section, shall receive a
451 single increase in retirement benefits provided under this chapter.
452 Such increase shall be paid to such eligible members or successor
453 beneficiaries whose monthly benefit as of December 31, 1990, before
454 any reduction for an optional benefit payment plan, is less than eight
455 hundred dollars, and shall be sufficient to increase such monthly
456 benefit to eight hundred dollars.

457 (q) On January 1, 1999, each eligible retired member who had
458 rendered at least twenty-five years of full-time service, or such
459 member's successor beneficiary, as defined in subsection (j) of this
460 section, shall receive a single increase in benefits provided under this
461 chapter. Such increase shall be sufficient to increase the monthly
462 benefit of such eligible members or successor beneficiaries, whose
463 monthly benefit as of December 31, 1998, before any actuarial
464 reduction for early retirement or for an optional benefit payment plan,
465 is less than twelve hundred dollars and shall be sufficient to increase
466 such monthly benefit to twelve hundred dollars.

467 Sec. 505. Section 10-183k of the general statutes is repealed and the
468 following is substituted in lieu thereof (*Effective July 1, 2003*):

469 (a) A member who terminates prior to retirement shall be entitled to
470 have refunded his or her accumulated voluntary contributions with
471 credited interest.

472 (b) A member who terminates with less than five years' credited
473 service shall be entitled to have refunded his or her accumulated [five
474 per cent] regular contributions with credited interest. A member who
475 terminates with more than five years of credited service shall be
476 entitled to have refunded his or her accumulated [five per cent] regular
477 contributions with credited interest and his or her accumulated one
478 per cent contributions withheld prior to July 1, 1989.

479 (c) A member who terminates with more than ten years' credited
480 service in the public schools of Connecticut but prior to retirement may
481 elect to receive in lieu of the benefits provided by this chapter a refund
482 of his or her accumulated [mandatory] contributions with credited
483 interest as provided in subsection (b) of this section. If such member
484 elects a refund, all credited service shall be cancelled and any rights to
485 benefits provided by this chapter shall be extinguished, except as
486 provided in subsection (d) of this section. If such member does not
487 elect a refund, but dies before age sixty or before receiving the deferred
488 vested benefit, if later, such member's accumulated voluntary
489 contributions, accumulated [five per cent] regular contributions and
490 accumulated one per cent contributions withheld prior to July 1, 1989,
491 together with credited interest shall be paid to such member's
492 designated beneficiary.

493 (d) A member who receives a refund and returns to service shall be
494 regarded as a new member unless such member repays the amount
495 refunded, other than voluntary contributions and the interest thereon,
496 together with credited interest compounded from the date interest was
497 last credited to such member's account to the date of repayment. The
498 credited service accumulated before termination and any unrefunded
499 one per cent contributions withheld prior to July 1, 1989, and credited
500 interest shall be restored to a member who makes such repayment.
501 Restored contributions and interest shall be credited with credited
502 interest for the period between the last day for which interest was
503 credited on such contributions and such member's return to service.

504 Sec. 506. Section 10-183n of the general statutes is repealed and the
505 following is substituted in lieu thereof (*Effective July 1, 2004*):

506 (a) Each employer shall: (1) Before employing a teacher notify such
507 teacher of the provisions of this chapter applicable to such teacher; (2)
508 distribute, post or otherwise disseminate in a timely manner, to
509 teachers in its employ, any notices, bulletins, newsletters, annual
510 statements of account and other information supplied by the board for
511 the purpose of properly notifying teachers of their rights and

512 obligations under the system; (3) furnish to the board at times
513 designated by said board such reports and information as the board
514 deems necessary or desirable for the proper administration of the
515 system; and (4) deduct each month seven and one-fourth per cent of
516 one-tenth of such teacher's annual salary rate as directed by said board
517 and any additional voluntary deductions as authorized by such
518 teacher, except that no deductions shall be made from any amounts
519 received by regularly employed teachers for special teaching
520 assignments rendered for the State Board of Education or the Board of
521 Governors of Higher Education unless the salary for such special
522 teaching assignment is equal to or greater than the minimum salary
523 paid for such teacher's regular teaching assignment.

524 (b) Each local treasurer or other person having custody of amounts
525 deducted under this chapter by an employer shall transmit and report
526 such amounts to the board so that they are received by said board no
527 later than the fifth business day of the following month. On and after
528 July 1, 2001, all such amounts shall be transmitted via electronic
529 transfer of funds. Such amounts shall at all times be the property of the
530 system and while in the custody of such local treasurer or other person
531 such person is a fiduciary with respect to such amounts and shall
532 discharge his responsibilities solely for the benefit of the system. Said
533 board shall be entitled to receive from an employer interest at the rate
534 of nine per cent per year from the due date on all amounts deducted
535 by such employer and not received by said board by the fifth business
536 day of the following month. Interest at the rate of nine per cent per
537 year shall be compounded annually on the interest assessed from the
538 date payment is received to the date the interest assessment is paid.
539 Such interest shall be treated as an amount earned by assets of the
540 system.

541 (c) All amounts received by the board under this section shall be
542 forwarded to the State Treasurer.

543 (d) Each member shall file with the board an enrollment and such
544 other forms, documents and information as the board deems necessary

545 or desirable for the proper administration of the system.

546 Sec. 507. Subsections (a) to (c), inclusive, of section 10-183t of the
547 general statutes are repealed and the following is substituted in lieu
548 thereof (*Effective July 1, 2005*):

549 (a) The board shall offer one or more health benefit plans to any
550 member receiving retirement benefits or a disability allowance from
551 the system, to the spouse or surviving spouse of such member, and to
552 a disabled dependent of such member if there is no spouse or
553 surviving spouse, provided such member, spouse or surviving spouse,
554 or disabled dependent is eligible for Medicare Part A hospital
555 insurance. The board may offer one or more basic plans, the cost of
556 which to any such member, to the spouse or surviving spouse of such
557 member and to a disabled dependent of such member if there is no
558 spouse or surviving spouse, shall be [twenty-five per cent] one-third of
559 the basic plan's premium equivalent, and one or more optional plans,
560 provided such member, spouse, surviving spouse or disabled
561 dependent shall pay [twenty-five per cent] one-third of the basic plan's
562 premium equivalent plus the difference in cost between any such basic
563 plans and any such optional plans. The board shall designate those
564 plans which are basic and those plans which are optional for the
565 purpose of determining such cost and the amount to be charged or
566 withheld from benefit payments for such plans. The surviving spouse
567 of a member, or a disabled dependent of a member if there is no
568 surviving spouse, shall not be ineligible for participation in any such
569 plan solely because such surviving spouse or such disabled dependent
570 is not receiving benefits from the system. With respect to any person
571 participating in any such plan, the state shall appropriate to the board
572 [twenty-five per cent] one-third of the cost of such basic plan or plans,
573 or [twenty-five per cent] one-third of the cost of the rate in effect
574 during the fiscal year ending June 30, 1998, whichever is greater.

575 (b) Any member who is receiving retirement benefits or a disability
576 allowance from the system, the spouse or surviving spouse of such
577 member, or a disabled dependent of such member if there is no spouse

578 or surviving spouse, and who is not participating in Medicare Part A
579 hospital insurance, may fully participate in any or all group health
580 insurance plans maintained for active teachers by such member's last
581 employing board of education, or by the state in the case of a member
582 who was employed by the state, upon payment to such board of
583 education or to the state, as applicable, by such member, spouse or
584 surviving spouse, or disabled dependent, of the premium charged for
585 his form of coverage. Such premium shall be no greater than that
586 charged for the same form of coverage for active teachers. The
587 surviving spouse or disabled dependent shall not be ineligible for
588 participation in any such plan solely because such surviving spouse or
589 disabled dependent is not receiving benefits from the system. No
590 person shall be ineligible for participation in such plans for failure to
591 enroll in such plans at the time the member's retirement benefit or
592 disability allowance became effective. Nothing in this subsection shall
593 be construed to impair or alter the provisions of any collective
594 bargaining agreement relating to the payment by a board of education
595 of group health insurance premiums on behalf of any member
596 receiving benefits from the system. Prior to the cancellation of
597 coverage for any member, spouse or surviving spouse for failure to
598 pay the required premiums or cost due, the board of education or the
599 state, if applicable, shall notify the Teachers' Retirement Board of its
600 intention to cancel such coverage at least thirty days prior to the date
601 of cancellation. Absent any contractual provisions to the contrary, the
602 payments made pursuant to subsection (c) of this section shall be first
603 applied to any cost borne by the member, spouse or surviving spouse
604 participating in any such plan. As used in this subsection, "last
605 employing board of education" means the board of education with
606 which such member filed his initial application for retirement, and
607 "health insurance plans" means hospital, medical, major medical,
608 dental, prescription drug or auditory benefit plans that are available to
609 active teachers.

610 (c) On and after July 1, 2000, the board shall pay a subsidy equal to
611 the subsidy paid in the fiscal year ending June 30, 2000, to the board of

612 education or to the state, if applicable, on behalf of any member who is
613 receiving retirement benefits or a disability allowance from the system,
614 or the spouse, or the surviving spouse of such member, or a disabled
615 dependent of such member if there is no spouse or surviving spouse,
616 who is participating in a health insurance plan maintained by a board
617 of education or by the state, if applicable. Such payment shall not
618 exceed the actual cost of such insurance. With respect to any person
619 participating in any such plan pursuant to subsection (b) of this
620 section, the state shall appropriate to the board [twenty-five per cent]
621 one-third of the cost of the subsidy. No payment to a board of
622 education pursuant to this subsection may be used to reduce the
623 amount of any premium payment on behalf of any such member,
624 spouse or surviving spouse, or disabled dependent, made by such
625 board pursuant to any agreement in effect on July 1, 1990.

626 Sec. 508. Subsection (d) of section 10-183t of the general statutes is
627 repealed and the following is substituted in lieu thereof (*Effective July*
628 *1, 2003*):

629 (d) The Treasurer shall establish a separate retired teachers' health
630 insurance premium account within the Teachers' Retirement Fund.
631 Commencing July 1, 1989, and annually thereafter all [one per cent]
632 health contributions withheld under this chapter in excess of five
633 hundred thousand dollars shall, upon deposit in the Teachers'
634 Retirement Fund, be credited to such account. Interest derived from
635 the investment of funds in the account shall be credited to the account.
636 Funds in the account shall be used for payments to boards of
637 education pursuant to subsection (c) of this section and for payment of
638 premiums on behalf of members or surviving spouses of members
639 participating in one or more health insurance plans pursuant to
640 subsection (a) of this section in an amount equal to the difference
641 between the amount paid pursuant to said subsection (a) and the
642 amount paid pursuant to subsection (c) of this section. If, during any
643 fiscal year, there are insufficient funds in the account for the purposes
644 of all such payments, the General Assembly shall appropriate
645 sufficient funds to the account for such purpose.

646 Sec. 509. Section 10-183v of the general statutes is repealed and the
647 following is substituted in lieu thereof (*Effective July 1, 2004*):

648 (a) Except as provided in subsection (b) of this section, a former
649 teacher receiving retirement benefits from the system may not be
650 employed in a teaching position receiving compensation paid out of
651 public money appropriated for school purposes except that such
652 former teacher may be employed temporarily in such a position and
653 receive no more than forty-five per cent of the entry-level salary for the
654 assigned subject area for such compensation. Temporary employment
655 means employment for less than a school year. Notice of such
656 employment shall be sent monthly to the board by the employing
657 officials and by the retired teacher at the end of each assignment.

658 (b) A former teacher receiving retirement benefits from the system
659 may be reemployed by a local board of education or by any constituent
660 unit of the state system of higher education if such employment is
661 authorized by the Teachers' Retirement Board upon certification to
662 such board that such reemployment is in the best interests of the local
663 or regional school system. Such certification shall be made by the local
664 or regional board of education, if the employer is to be a local or
665 regional board of education, or the Board of Governors of Higher
666 Education, if the employer is to be a constituent unit of the state
667 system of higher education.

668 (c) The employment of a former teacher under subsection (b) of this
669 section shall not be considered as service qualifying for continuing
670 contract status under section 10-151 and the salary of such teacher shall
671 be fixed at an amount at least equal to that paid other teachers in the
672 same school system with similar training and experience for the same
673 type of service.

674 (d) No person shall be entitled to survivor's benefits under
675 subsection (f) of section 10-183f as a result of reemployment under this
676 section.

677 (e) Retirement benefits to a former teacher reemployed under

678 subsection (b) of this section shall terminate on the first day of the
679 month of such reemployment. Retirement benefits shall resume on the
680 first day of the month after reemployment ceases.

681 (f) The same option plan of retirement benefits in effect prior to
682 reemployment shall continue for a reemployed teacher during
683 reemployment and upon subsequent retirement.

684 (g) Any former teacher reemployed under subsection (b) of this
685 section may elect upon completion of not less than six months
686 continuous service to make contributions to the system from such date.
687 The employer of such electing reemployed teacher shall thereafter treat
688 such teacher with respect to the system in the same manner as any
689 other member of the system except that such employer shall deduct
690 only [six-sevenths] twenty-four twenty-ninths of the amount that
691 would be deducted from the salaries of other members.

692 (h) Any reemployed teacher electing to make contributions to the
693 system under subsection (g) of this section may also elect to obtain
694 retirement credit for service during the period from the beginning of
695 reemployment to the date of such election by contributing to the
696 system within six months of the date on which such teacher makes
697 such election under said subsection (g), six per cent of the salary paid
698 such teacher during such period together with credited interest from
699 the time such salary was paid until such contribution is made to the
700 system.

701 (i) Upon the subsequent retirement of an electing reemployed
702 teacher, the retirement benefits payable to such retired teacher shall be
703 increased by triple the amount that would be payable based solely
704 upon contributions of such teacher made during the period of
705 reemployment plus credited interest thereon.

706 Sec. 510. Subsection (g) of section 10-183e of the general statutes is
707 repealed and the following is substituted in lieu thereof (*Effective July*
708 *1, 2003*):

709 (g) Any member who has been elected to a full-time or part-time
710 position in an organization which has been duly designated as the
711 teachers' representative or who has been elected to a full-time or part-
712 time position in [the] a state-wide, national or international bargaining
713 organization [with which the local bargaining organization is
714 affiliated, under the provisions of section 10-153b,] may, during the
715 time [he] such member so serves, continue [his] membership and may
716 make, or have made for [him] such member, payments of [his]
717 contributions for such time, provided the organization which such
718 [teacher] member represents shall pay the full actuarial cost that would
719 otherwise be incurred by the state for the time such [teacher] member
720 serves in excess of one year. If payment is made during such periods or
721 at any time before retirement, such member shall receive credit for
722 such service and shall be considered as serving as a public school
723 teacher in the state for the purpose of computing length of service, and
724 for the purpose of computing average annual salary, and shall be
725 considered by the retirement board as though [he] such member were
726 remaining in [his] such member's latest teaching position."